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## **End of Assignment Report**

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**Submitted by:**  
**Chemonics International, Inc.**

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The aim of the assignment was to assist the Customs Administration of Mozambique to prepare for implementation of the World Trade Organization's Valuation Agreement scheduled to take place on 1 January 2003.

1. The mandate that was given to me was not very clear at first. (The reason being that Mozambique Customs could not define exactly what was needed). After many efforts on the part of the Team leader, the needs identification became clearer. The areas that I needed to cover were:

**Control Systems** – The role and structure of the Valuation Unit, including Regional and Central Organization together with how to organize the work of the unit, etc. To that effect, training was given to the participants on existing organizations in several economies where the valuation function is administered properly. The set-up of centralized and decentralized organizations were explained, taking into account advantages and disadvantages and identifying the impact the new organization may have on the present Customs Administration. The two groups (20 participants per week) came to the same conclusion on a proposed organizational structure. If accepted, the Valuation Unit will have a Headquarters section, which will play a functional role whilst three regional offices and local offices will be operational in delivering the program. Functional and operational activities will be as follows:

#### **Functional (Headquarters)**

- Advise on matters such as interpretation on Valuation Agreement.
- In-depth research where complex valuation is an issue.
- Link with the WCO's Technical Committee on Customs Valuation.
- Development and supply of policy advice on valuation.
- Development of staff training material on valuation.
- Monitoring of decisions emanating from the regions.
- Deal with Appeals on valuation (Administrative recourse) Interface with Other Government Departments.

#### **Operational (Regional Offices)**

- Provide advice on matters associated with Articles 1-17 of the Agreement. Inquiry work. (Internal and External)
- Provide assistance to the group on commercial frauds.
- Appearing in Court for Customs at legal proceedings concerning valuation.
- Perform post-clearance audits.
- Provide training on Valuation.
- Issue rulings.

#### **Operational (Local Offices)**

- Determine the value of imports under the terms of Articles 1, 8 and 15. Right to invoke Article 17.
- Make referrals to Regional Officer where doubts exist or clarification is required for future shipments.
- Contact Regional Officer for information prior to release of goods.

2. The second part of my mandate was to cover Post-Clearance Audit. I was not required to train on post audit techniques as this kind of training will be given to officers concerned by ITS, the PSI company who was tasked for this part but rather give assistance with higher level consideration such as strategy, organization, planning, risk assessment and the general management of the Post-Audit teams.

**The post-Audit concept** was explained to the participants. The structure of the sections dealing with post audit was discussed. The participants were initiated to the structure by industry sectors as found in some of the most developed economies. This type of structure enables the auditors to be very cognizant of the industries as well as valuation. The two groups of participants found that this is the way to go for the post audit section's structure.

**Selection criteria.** Some criteria used for the selection of companies to be post audited were discussed.

**Risk management, risk assessment and risk analysis** were thoroughly covered as this is a tool needed for post audits. The participants were introduced to the three types of risk management i.e strategic risk management, operational risk management and tactical risk management with examples for each type. This information will allow the planning cycle of post audit and define the extent of verification to be accomplished through post audits.

#### **Database**

Finally, we discussed the establishment of a database for prices to be used as reference only and not to determine the value for duty purposes. The database should contain "price ranges" of commodities to assist in the decision-making in acceptance of the declared value. Reference was made on where such information would be found.

The training of the Mozambican Customs Officers posed an additional challenge to the trainers as the training material had to be translated into Portuguese and the use of interpreters was necessary in the classroom. After all, the message seemed to have been received well by the participants.



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